

Responses to DTE
First Set of Information Requests
Witness Responsible: Lee Smith

Blackstone Gas Company
DTE 01-50

DTE 1-1 Please refer to Exhibit 2, Schedule 1. Please provide additional detail in the form of workpapers that further breaks down the \$1,900 line item “other revenue.”

Response:
Please see response to AG-1-21.

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DTE 1-2 Please refer to BG-1 at 4. Please provide a detailed listing, by street location, of the gas mains invested in by the company (including both new and replacement mains).

Response:
Please see response to AG-2-2.

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DTE 1-4 Please refer to BG-1 at 4. Please provide a further breakdown of the 37.7% figure cited on Line 13.

Response:

The number cited on Line 13 should be 39% - increase in test year O&M expenses excluding gas costs. The largest categories of expense are T&D, which increased 38.7%, and A&G, which increased 40%.

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DTE 1-12 Please refer to BG-1 at 9. Why did the Company apply an annual inflation adjustment to O&M expenses of 2.982 percent from mid 1999 through 2000?

Response:

The inflation rate of 2.982% was applied to test year 2000 O&M expenses. The 2.982% is the actual inflation rate from mid 1999 through 2000 and was used as an estimate of inflation for the coming year and a half.

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DTE 1-13 Please refer to BG-1 at 9. Please provide the increase in CPI that characterized the equivalent period of time that characterized the inflation adjustment referenced on line 21.

Response:

The increase in the CPI for the same time period is 5.12%. The index rose from 166.1 in June 1999 to 174.6 in December 2000.

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DTE 1-16 Please refer to BG-1 at 14 at Lines 6-8. Please explain the meaning of the sentence in different words.

Response:

When Blackstone acquired this school as a customers, its then current supplier of supplemental gas offered a special gas supply rate, which was passed on to the customer. The customer paid this for this gas and an incremental distribution cost based rate, and did not pay the standard CGA.

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DTE 1-25 Please refer to Exhibit 5. Please provide the derivation of the interest on debt figure appearing in the income tax calculation.

Response:

The interest on debt figure is taken from the Company's 2000 Annual Return to the Department on Page 10.

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DTE 1-32 At what threshold would the proposed Low Income Class rate apply?
What percentage of participation do you foresee under this rate during the five
year period that this proposed rate will be in effect?

Response:

The low income rate is available to customers of Blackstone Gas earning less than 175% of the federal poverty level. The company is projecting roughly 2.75% of Blackstone's residential customers will participate in the low income program.

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DTE 1-33 Please refer to BG -1 at 15, line 21, it is stated that the data to be applied to the proposed Low Income Class was obtained from the previous US Census Report of 1990. What efforts have been made, if any, to obtain more current information from Census 2000? Can a further refinement of the amount of foregone revenue be obtained in any way other than through census figures or a North Attleboro comparison?

Response:

According to the Census Bureau website the necessary information will not be available until the fall. Other sources for data were examined but because of Blackstone's small population other state and private agencies rely on the census data.